

110TH CONGRESS
2D SESSION

H. RES. 1289

Urging the President to direct the Commodity Futures Trading Commission to work with the United Kingdom Financial Services Authority to establish position limits on oil futures traded by traders on the Intercontinental Exchange that are similar to those established by the Commodity Futures Trading Commission for traders on the New York Mercantile Exchange.

IN THE HOUSE OF REPRESENTATIVES

JUNE 19, 2008

Mr. SHAYS (for himself and Mr. PERLMUTTER) submitted the following resolution; which was referred to the Committee on Agriculture

RESOLUTION

Urging the President to direct the Commodity Futures Trading Commission to work with the United Kingdom Financial Services Authority to establish position limits on oil futures traded by traders on the Intercontinental Exchange that are similar to those established by the Commodity Futures Trading Commission for traders on the New York Mercantile Exchange.

Whereas, on June 16, 2008, the average retail price of gasoline in the United States reached \$4.134 per gallon, which is an increase of \$1.077 per gallon over one year ago, and has nearly doubled over the last three years;

Whereas, on June 16, 2008, the cost of a barrel of crude oil on the New York Mercantile Exchange (NYMEX) closed at \$134.61;

Whereas increases in the price of crude oil are indicative of the United States' need to affirm its commitment to renewable energy research and development, and focus on reducing demand for oil by emphasizing conservation;

Whereas the Commodity Futures Trading Commission currently imposes a limit of 20,000 crude oil contracts per month, not to exceed 3,000 contracts in the last three days of trading in the spot month, on traders on the futures exchanges of the NYMEX;

Whereas institutional investors can circumvent these position limits by trading in swaps and derivatives products with the banks who have hedge exemptions for such trading, and no position limits are imposed on investors on the Intercontinental Exchange;

Whereas the Commodity Futures Trading Commission should regulate the over-the-counter derivatives and swaps exchanges in the same manner that the NYMEX futures exchanges are regulated; and

Whereas many analysts believe speculative investment in oil futures has contributed to recent oil price increases: Now, therefore, be it

- 1 *Resolved*, That the House of Representatives—
- 2 (1) urges the Commodity Futures Trading
- 3 Commission to require institutional investors to
- 4 abide by position limits already established for the
- 5 greater crude oil trading community; and

1 (2) urges the President to direct the Com-
2 modity Futures Trading Commission to work with
3 the United Kingdom Financial Services Authority to
4 establish position limits on oil futures traded by
5 traders on the Intercontinental Exchange that are
6 similar to those established by the Commodity Fu-
7 tures Trading Commission for traders on the New
8 York Mercantile Exchange.

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